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Manpower and Organization

**PRODUCTIVITY ENHANCING CAPITAL
INVESTMENT PROGRAMS**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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OPR: HQ USAF/XPMR (Ms Lorraine T.
Coleman)

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Richard B. Bundy)

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This instruction implements AFPD 38-3, *Productivity Enhancing Capital Investment Programs*, and DoD Instruction 5010.36, *Productivity Enhancing Capital Investment (PECI)*. It gives guidance and direction for Air Force Productivity Enhancing Capital Investment (PECI) Programs which include the Fast Pay-back Capital Investment (FASCAP) Program and Productivity Investment Fund (PIF) Program. It describes how to prepare, staff, approve, and track savings on Peci projects and discusses programming of funds for the self-sustaining programs. See [attachment 1](#) for a glossary of abbreviations, acronyms, and terms used in this instruction.

SUMMARY OF REVISIONS

This document is substantially revised and must be completely reviewed.

This revision deletes the Component Sponsored Investment Program (CSIP), AF Form 3548 with instructions, and all references; changes the title of MAJCOM and base Peci managers to MAJCOM and base Peci analysts; increases the minimum funding for PIF and maximum funding for FASCAP to \$200,000; adds a standardized format for variance to manpower standard (Atch 6); converts funding of PIF projects to self-sustaining (Chap 2) with specific instructions (Atch 5); changes date to 15 June to make FASCAP and PPM adjustments and changes to requirements and offsets (Chap 2); adds references for the expected useful life of equipment to instructions for AF Forms 2288 (Atch 3) and 2276 (Atch 5); eliminates requirement for RCS: DD-P&R(A)1561, FASCAP Program Annual Summary Report; changes Defense Business Operations Fund to working capital funds (Chap 2); corrects functional address symbols; and includes references to the Productivity Enhancing Capital Investment Programs Data System (PECI PDS).

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Chapter 1

FUNCTIONAL AREA RESPONSIBILITIES

1.1. Headquarters US Air Force (HQ USAF) Productivity Office. The Deputy Chief of Staff for Plans and Programs, Directorate of Manpower, Organization and Quality establishes a HQ USAF Productivity Office and administers participation in PEGI Programs. The HQ USAF productivity manager:

- 1.1.1. Serves as the HQ USAF PEGI manager.
- 1.1.2. Writes and maintains this instruction.
- 1.1.3. Helps major command (MAJCOM), field operating agency (FOA), and direct reporting unit (DRU) manpower and quality offices with their productivity improvement efforts. **NOTE:** From this point forward, the acronym MAJCOM includes MAJCOM, FOA, and DRU.
- 1.1.4. Plans, programs, and budgets for the self-sustaining Fast Payback Capital Investment (FAS-CAP) Program, Productivity Investment Fund (PIF) Program, and Productivity Program initiatives.
- 1.1.5. Financially manages and administratively controls the Productivity Investment Fund (PIF) Program.
- 1.1.6. Manages PIF project approval.
- 1.1.7. Reviews PIF projects from HQ USAF offices of primary responsibility (OPR) and MAJCOMs.
 - 1.1.7.1. Verifies that the project complies with this instruction and existing manpower policies and instructions. Returns each project that fails to comply.
 - 1.1.7.2. Coordinates projects with the HQ USAF OPR, ranks and selects the projects for funding, and notifies OPRs and MAJCOMs in writing of approved PIF projects.
 - 1.1.7.3. Prepares exhibits identifying funds that PEGI analysts have requested for approved projects and includes the exhibits in Air Force budgets.
 - 1.1.7.4. Request direction of funds and procurement authorizations for projects approved in the Air Force budget.
 - 1.1.7.5. Reviews AF Form 3547, **Report of Productivity Enhancing Capital Investment (PEGI) Programs Expenditures and Benefits** (RCS: HAF-XPM (AR) 9127), from commands that benefit from funded PIF projects and:
 - 1.1.7.5.1. Decides if the command is getting projected benefits in the time expected.
 - 1.1.7.5.2. Helps functional OPRs take corrective action, if needed. **NOTE:** This report carries emergency status code D (discontinue under emergency conditions). MINIMIZE does not apply.
 - 1.1.7.6. Develops and maintains an automated records system that includes cost and benefit data for auditing PEGI projects. Uses the system to produce reports on program results and help auditors conduct audits of randomly selected projects.
 - 1.1.7.7. Prepares fiscal year summaries on program results for the Defense Manpower Requirement Report, Program Objective Memorandum (POM), and Budget submissions.
 - 1.1.7.8. Develops a summary of approved PEGI projects for MAJCOM PEGI analysts.

1.1.8. Requests periodic audits of amortized PEGI projects to validate reported savings through the Office of the Auditor General (SAF/AG) and the Air Force Audit Agency (AFAA).

1.2. Other HQ USAF Offices. Each directorate aims to enhance productivity within its functional area by appointing a productivity point of contact (POC). The productivity POC:

1.2.1. Serves as the focal point for productivity matters.

1.2.2. Manages and promotes productivity programs and initiatives.

1.2.3. Identifies these programs and initiatives in the POM and budget cycles according to POM instructions.

1.2.4. Assists the HQ USAF PEGI manager on applicable PEGI projects.

1.3. MAJCOMs, FOAs, and DRUs. The MAJCOMs appoint a PEGI analyst.

1.4. MAJCOM PEGI Analyst.

1.4.1. Serves as the focal point for productivity matters at all levels.

1.4.2. Budgets for productivity program management (PPM) funds.

1.4.3. Uses PPM funds for:

1.4.3.1. Attending or conducting productivity conferences, seminars, workshops, award ceremonies, award receptions, and training.

1.4.3.2. Participating in professional organizations (organizational memberships only).

1.4.3.3. Visiting command personnel to help with productivity matters.

1.4.3.4. Acquiring awareness, training, and conference materials.

1.4.3.5. Getting computer access to available technological databases.

1.4.3.6. Getting consultants and contractors.

1.4.3.7. Purchasing promotional items (such as coffee cups, notepads, logo pencils, and so on).

1.4.4. Oversees the two PEGI Programs (FASCAP and PIF).

1.4.4.1. Identifies productivity impacts (quantitative or qualitative) for productivity initiatives during the POM and budget cycles.

1.4.4.2. Reviews projects for compliance with this instruction.

1.4.4.3. Staffs and approves or disapproves PEGI projects.

1.4.4.4. Oversees and maintains PEGI Program Data System (PEGI PDS) for the command. Keeps project files and tracks savings through reports that base-level PEGI analysts send.

1.4.4.5. Programs for PEGI requirements and offsets and manages PEGI program funds.

1.4.4.6. Submits budgets according to POM preparation and budget instructions.

1.4.4.7. Trains base-level PEGI analysts as required.

1.4.4.8. Promotes and advertises the programs.

1.4.4.9. Provides information to the HQ USAF PEGI manager, HQ USAF/XPMR, Deputy Chief of Staff for Plans and Programs, Directorate of Manpower, Organization and Quality, Requirements and Utilization Division, 1070 Air Force Pentagon, Washington DC 20330-1070, on programs as required.

1.4.4.10. Conducts audits personally if base PEGI analysts do not send in reports on time or projects are not amortizing as scheduled.

1.5. Base PEGI Analyst. The base PEGI analyst oversees the PEGI programs at base level. **NOTE:** In this instruction, base PEGI analyst refers to the person (below the MAJCOM) who oversees PEGI projects whether they take place at a base or some other location. The base PEGI analyst normally works in the base manpower and quality office. The base PEGI analyst:

1.5.1. Helps project officers develop projects and prepare project reports.

1.5.2. Reviews projects for compliance with this instruction and sends verified proposals to the MAJCOM PEGI analyst.

1.5.3. Inputs projects and project status updates to the PEGI PDS.

1.5.4. Maintains project files, track savings through reports that project officers submit, and uses this information to promote the programs.

1.5.5. Monitors the unit manpower document (UMD) to ensure requested changes or deletions are processed.

1.5.6. Provides program information to the MAJCOM PEGI analyst as required.

1.5.7. Alerts base supply when purchasing FASCAP equipment. Base supply will ensure the equipment is held on an accountable record.

1.6. AFCQMI

1.6.1. The Reengineering Division (MQR):

1.6.1.1. Receives copy of approved PIF projects from HQ USAF PEGI manager. Reviews the projects for Air Force-wide application. If applicable, takes the necessary action for implementation.

1.6.1.2. Receives variances for all approved PEGI projects from the applicable MAJCOM PEGI analyst, if applicable.

1.6.1.2.1. Reviews the variances for Air Force-wide application. If applicable, takes the necessary action for implementation.

1.6.1.2.2. Updates applicable manpower standards with variances according to AFI 38-201, *Determining Manpower Requirements*.

1.6.2. The Programs Integration Division (MQD):

1.6.2.1. Provides technical advice to MAJCOM PEGI analysts.

1.6.2.2. Conducts staff assistance visits and trains managers, as needed.

Chapter 2

GENERAL INFORMATION ON PECI PROGRAMS

2.1. Qualifying for Funds. To qualify for funds, each project:

2.1.1. Requires a capital investment that falls within the program dollar ranges. FASCAP is for projects up to \$200,000 and PIF is used for projects exceeding \$200,000.

2.1.1.1. The unit receiving funds must pay its own recurring operations and support (O&S) costs for new equipment.

2.1.1.2. Total investment cost includes PECI funds for:

2.1.1.2.1. Acquisition.

2.1.1.2.2. Transportation.

2.1.1.2.3. Installation.

2.1.1.2.4. One-time incidental costs.

2.1.1.2.5. Command funds used.

2.1.1.3. The investment ceiling for FASCAP applies to each project.

2.1.1.4. Project officers don't need to limit a project to a single organization or location.

2.1.1.5. Project officers may group related items for the same functional area into a single submission to take advantage of quantity discounts.

2.1.2. Generates enough savings, directly related to the equipment purchased, to amortize all investment costs within the time frame specified in AFPD 38-3, *Productivity Enhancing Capital Investment (PECI) Programs*:

2.1.2.1. FASCAP--2 years.

2.1.2.2. PIF--4 years.

2.1.2.2.1. PIF project officers measure the estimated savings at the dollar rate of 2 years past the current fiscal year.

2.1.3. Complies with AFI 23-101, *Centrally Managed Equipment*, for nonexpendable investment equipment.

2.1.3.1. FASCAP equipment must be readily available, off-the-shelf equipment.

2.1.4. Meets the submitting organization's long-range planning and programming objectives.

2.1.5. Performs valid functions that existing equipment, facilities, or contractors can't do as economically and effectively.

2.1.6. Complies with AFI 38-203, *Commercial Activities Program*.

2.1.7. Complies with Air Force policy and guidance on appropriated fund support of nonappropriated fund activities.

2.1.7.1. The investment must produce savings in appropriated expenditures to amortize the project.

2.2. Not Qualifying for Funds. A project does not qualify for funds if it:

2.2.1. Purchases equipment or facilities for business organizations taking part in the working capital funds. **EXCEPTION:** Equipment and facilities may be purchased as long as the military personnel savings identified are not working capital funds reimbursable.

2.2.2. Purchases equipment that the private sector or Government organizations currently lease. **EXCEPTION:** The leased equipment's remaining "economic life" at the time of purchase is at least 80 percent of a similar new item's economic life and one of these situations applies:

2.2.2.1. A command has temporarily leased the equipment to verify the investment's potential to achieve productivity gains.

2.2.2.2. A command can gain productivity benefits, besides reducing leasing costs, through improved processes.

2.2.3. Purchases equipment under congressional prohibition or moratorium.

2.2.4. Purchases equipment or facilities that another budget source has already funded.

2.2.5. Establishes an in-house operation that it can acquire more readily and more economically through commercial contract.

2.2.6. Invests in government-owned, contractor-operated facilities. **EXCEPTION:** Equipment may be purchased if the savings to the government can amortize the investment and the contractor concurs with the cost reduction involved.

2.2.7. Provides funds to Major Force Program X (Support to Other Nations).

2.3. Prioritizing Projects:

2.3.1. MAJCOM PEGI analysts prioritize qualified FASCAP projects at their own discretion.

2.3.2. The HQ USAF Productivity Office prioritizes PIF projects using these economic factors:

2.3.2.1. Return on Investment (ROI)

2.3.2.2. Payback (amortization) period.

2.3.2.3. Manpower spaces saved for each dollar invested (that is, investment dollars needed to save the equivalent of one manpower space).

2.3.2.4. Internal Rate of Return (IRR).

2.4. Identifying Savings:

2.4.1. Savings that project officers use to amortize the project's investment cost must be historically trackable reductions (hard savings) in manpower or O&S costs that the investment has produced.

2.4.2. Project officers must identify all savings (both manpower and dollars) that the project generates to amortize the project.

2.4.2.1. For PIF, project officer must provide sufficient hard dollar savings to amortize the investment costs. However, you may identify partial manpower savings and dollars or manpower cost avoidance associated with the project.

2.4.3. Manpower savings must be whole authorizations or historically documented civilian overtime expenditures.

2.4.4. Project officers may identify manpower authorizations presently programmed for deletion as savings and benefit early from them.

2.4.4.1. These authorizations must:

2.4.4.1.1. Be present on the UMD when the project becomes operational.

2.4.4.1.2. Stay on the UMD long enough to amortize the project. (For example, if a manpower authorization is programmed to "come off the books" 7 quarters from the approval date, and it is going to take 3 quarters to buy the equipment and become operational, they only get 4 quarters worth of savings).

2.4.4.2. Project officers pay close attention to projects that use short-term manpower to amortize their equipment to ensure that they produce the savings required.

2.4.4.3. For projects using short-term manpower authorizations, project officers should calculate the expected dollar value and show the amount as a one-time saving.

2.4.5. All savings must be auditable.

2.4.6. Project officers must keep records according to AFMAN 37-139, *Records Disposition--Standards*.

2.4.7. When projects involve a command-wide buy, each location receiving equipment doesn't need to identify hard savings (that is, the command may delete a manpower position from one participating installation to amortize equipment that the command purchased for multiple locations).

2.5. Using Savings. Commands may reinvest savings (dollars and manpower) to satisfy valid unfunded requirements.

2.5.1. Commands may reinvest the manpower resources from a completed project to an unfunded requirement when the equipment becomes operational as long as the new requirement is valid.

2.5.2. Commands must return any manpower resources they don't need to satisfy valid unfunded requirements to HQ USAF.

2.5.2.1. HQ USAF reviews reinvested savings when it reassesses priorities for each major program.

2.6. Submitting and Implementing Projects. Any organization or unit may submit as many qualified projects as it wants during the fiscal year.

2.6.1. For projects that involve more than one command, the command with the dominant portion of the resource savings submits the project request.

2.6.2. The organization submitting the project receives funding through normal budget channels and immediately should obligate the funds.

2.6.2.1. Commands may withdraw funds that bases don't promptly obligate.

2.6.2.2. Obligate funding for approved projects by the end of the fiscal year in which directed. The HQ USAF Productivity Office will take action to withdraw unobligated funds by 31 August.

2.6.3. Once the organization receives funds and begins a project, it uses AF Form 3547 to:

2.6.3.1. Verify the use of the funds.

2.6.3.2. Compare benefits predicted to benefits achieved.

2.6.3.3. Identify how it plans to use any savings. **NOTE:** This report carries emergency status code D (discontinue under emergency conditions). MINIMIZE does not apply.

2.6.4. Organizations use AFI 38-401, *The Air Force Innovative Development Employee Awareness (IDEA) Program*, to submit an idea involving a PECI project.

2.6.4.1. Approved PECI projects can be submitted on AF Form 1000, **IDEA Application**, under the separate document action as “confirmatory” ideas.

2.6.4.2. The MAJCOM PECI analyst or Air Force PECI Manager approves ideas.

2.7. Identifying Funding Requirements and Offsets. Each MAJCOM PECI analyst identifies FAS-CAP and PPM requirements by amount and appropriation. (See [attachment 2](#) for the format for programming funds.)

2.7.1. MAJCOM PECI analysts identify requirements for the 2 fiscal years in each even-numbered fiscal year (for example, they would identify FY 2000 and FY 2001 requirements in FY 1998).

2.7.2. MAJCOM PECI analysts:

2.7.2.1. Identify offsets when they program for requirements.

2.7.2.2. Report them by:

2.7.2.2.1. Program Element Code (PEC).

2.7.2.2.2. Appropriation.

2.7.2.2.3. Cost Category: DoD Element of Expense (DoDEE) or Element of Expense Investment Code (EEIC).

2.7.2.2.4. Amount (equal to the requirements plus inflation).

2.7.2.3. For PIF projects, the MAJCOM PECI Analyst identifies the offsets on AF Form 2276, **Request for Productivity Investment Funds (PIF)**. The offsets will be programmed over a three-year period.

2.7.2.4. If offsets include military or civilian personnel pay, the analyst must provide the associated number of manpower resources by category (officer, enlisted, or civilian).

2.7.2.5. Air Force uses the Planning, Programming, and Budgeting System to calculate savings resulting from end-strength changes.

2.7.2.6. MAJCOM PECI analysts:

2.7.2.6.1. Report final adjustments to requirements, by appropriation and amount, no later than 15 June of the fiscal year in which they receive funds.

2.7.2.6.2. Report final adjustments to offsets, by PEC, appropriation, DoDEE or EEIC, and amount, no later than 15 June of the fiscal year in which they receive funds.

2.7.2.6.3. May not make adjustments to manpower offsets.

2.7.2.6.4. Who require more money than they have programmed, or who need to make changes in their programming after the 15 June deadline, and can't get funds from the HQ USAF Peci manager have two options:

2.7.2.6.4.1. Find another MAJCOM who can provide the money. (The MAJCOM seeking money must identify additional offsets.)

2.7.2.6.4.2. Exchange appropriations with another MAJCOM to get what they need.

2.7.2.6.5. Must send a written request through the HQ USAF Peci manager for all adjustments. If the request is approved, funds offered up in exchange will be withdrawn by SAF/FMB and reissued to the appropriate MAJCOM.

2.8. Maintaining a Project File. Peci analysts and project officers maintain an auditable project file (paper copy or automated file) according to AFMAN 37-139, including as a minimum:

2.8.1. A copy of the Peci request form incorporating coordination and revisions.

2.8.2. Documentation on project approval.

2.8.3. Documentation on funds they have received, obligated, and expended.

2.8.4. Information on how they have made use of manpower savings (if applicable), such as:

2.8.4.1. Processed authorization change notices (ACN), number and date.

2.8.4.2. A variance to the manpower standard, if applicable.

2.8.5. A copy of AF Forms 3547 incorporating coordination (if applicable).

2.8.6. Documentation of corrective actions they have taken to ensure project amortization (if applicable).

2.8.7. For PIF, the milestone chart.

2.9. Attending Policy and Procedural Review Meetings. MAJCOM, AFCQMI, and HQ USAF representatives meet periodically to review Peci programs processes.

2.9.1. The number of agenda items decides the length of these meetings.

2.9.2. MAJCOMs host these meetings on a rotating basis.

Chapter 3

FAST PAYBACK CAPITAL INVESTMENT (FASCAP) PROGRAM

3.1. FASCAP Description. FASCAP is an Air Force program that uses self-sustaining funds for productivity enhancing capital investments in equipment. FASCAP projects have a ceiling of \$200,000 per project.

3.1.1. MAJCOMs select and approve qualified projects and transfer funds to the unit's budget.

3.2. Submitting a FASCAP Project. The submitting organization appoints a project officer to oversee a project.

3.2.1. The project officer prepares each project on AF Form 2288, **Request for Fast Payback Capital Investment (FASCAP) Funds**, according to the instructions in [attachment 3](#). Project officer may input data directly into PECI PDS.

3.2.1.1. The base PECI analyst helps the project officer as needed.

3.2.2. The project officer works with support organizations (financial analysis and communications and information management if computers or information management equipment are involved) to prepare and complete the project before submitting it to the base PECI analyst.

3.2.2.1. To expedite coordination, the project officer involves all applicable support organizations early in preparing the project.

3.2.3. The base PECI analyst:

3.2.3.1. Reviews the project for compliance with this instruction.

3.2.3.2. Ensures that the project has received appropriate coordination and includes the necessary attachments:

3.2.3.2.1. Detailed cost and savings summaries.

3.2.3.2.2. The UMD, if authorizations are involved.

3.2.3.2.3. AF Form 3215, **Communications/Computer Systems Requirements Document**, if required.

3.2.3.2.4. Variance to Manpower Standard, if applicable.

3.2.3.2.5. Supply credit statement.

3.2.3.3. If required, the manpower and quality office develops a variance to the standard, according to Attachment 7 of this instruction, which is approved when the project is approved.

3.2.4. When coordination is completed for the project, the base PECI analyst:

3.2.4.1. Ensures project data is entered into the PECI PDS.

3.2.4.2. Sends the project paperwork to the MAJCOM PECI analyst.

3.2.4.3. Maintains an auditable project file (paragraph [2.8.](#)).

3.3. Reviewing and Approving a FASCAP Project. The MAJCOM PEGI analyst reviews the project for compliance with this instruction.

3.3.1. The MAJCOM PEGI analyst approves a project after all involved organizations have coordinated on the project.

3.3.1.1. In notifying organizations of approval, the MAJCOM PEGI analyst must include information from AF Form 2288, items 6 and 7.

3.3.2. The MAJCOM PEGI analyst provides staffing for a project through:

3.3.2.1. The MAJCOM comptroller.

3.3.2.2. The manpower requirements and manpower resource functions (if authorizations are involved).

3.3.2.3. The communications and information management office (if computers or information management equipment is involved).

3.3.2.4. The appropriate functional OPR.

3.3.3. The MAJCOM PEGI analyst enters the validation/approval data in the PEGI PDS.

3.3.4. Upon approval of a project, the MAJCOM PEGI analyst sends a copy of manpower variance to the MAJCOM management engineering function for file and forwards a copy to AFCQMI/MQA or AFCQMI/MQB, so it can consider the variance for Air Force-wide applications and update applicable Air Force manpower standards, as required.

3.4. Implementing an Approved FASCAP Project:

3.4.1. The MAJCOM PEGI analyst provides funds to organizations with approved projects.

3.4.2. As soon as funds become available, the project officer implements approved projects, with help from support organizations (for example, financial analysis and contracting or supply).

3.4.3. The base PEGI analyst alerts base supply when purchasing FASCAP equipment.

3.4.4. If the equipment changes in price after the project officer has submitted a project, the project officer sends an electronic request to the base PEGI analyst.

3.4.4.1. If prices have decreased, the base PEGI analyst returns excess funds to the MAJCOM.

3.4.4.2. If prices have increased, the base PEGI analyst sends a written request for more funds to the MAJCOM PEGI analyst.

3.4.4.3. If the command doesn't have extra funds and the project officer can't adjust the quantity or type of equipment without changing the scope of the project, the MAJCOM PEGI analyst must withdraws the money from the organization and cancels the project.

3.4.4.4. If another MAJCOM doesn't need all of their money, the MAJCOM PEGI analyst may request a transfer of funds through the HQ USAF PEGI manager to resolve the shortage.

3.4.5. As a base receives funds for a project, the base financial analysis officer returns any excess (uncommitted) funds to the MAJCOM financial analysis officer.

3.4.5.1. The base PEGI analyst coordinates this return of funds with the MAJCOM PEGI analyst.

3.4.5.2. Funding changes must be updated by the base PEGI analyst in the PEGI PDS.

3.4.6. Upon approval of the project, the base PEGI analyst ensures that appropriate manpower authorizations are coded in the command remarks field of the Manpower Data System (MDS).

3.4.7. When the equipment becomes operational, the base PEGI analyst submits an ACR to update the MDS with manpower deletions.

3.4.7.1. The base PEGI analyst limits each ACR to a single project and includes the project number, the project title, and a brief description of the equipment that the organization has purchased.

3.4.7.2. The base PEGI analyst ensures that manpower deletions in the ACR become effective during the same fiscal quarter that the equipment becomes operational and remain effective through the end of the program or the last effective quarter that the UMD provides authorization.

3.4.7.3. In preparing the ACR, the base PEGI analyst doesn't replace deleted manpower authorizations, resulting from equipment that the base has purchased, with unfunded requirements.

3.4.8. Base PEGI analyst will update PEGI PDS when the equipment/project is operational.

3.5. Reporting FASCAP Results. The project officer must report project results. They may ask the base PEGI analyst for help.

3.5.1. The project officer uses an ACN instead of an AF Form 3547 for projects with manpower savings.

3.5.2. If manpower savings alone won't amortize the project, the project officer prepares an AF Form 3547, according to [attachment 4](#) to document the remaining O & S savings.

3.5.2.1. The first report covers the first 6 months from when the equipment becomes operational.

3.5.2.2. The project officer submits reports every 6 months until amortization is complete.

3.5.3. The project officer coordinates cost and savings with support organizations before submitting the report to the base PEGI analyst.

3.5.4. The project officer submits the 6-month report to the base PEGI analyst, who reviews and verifies results.

3.5.4.1. The base PEGI analyst will update PEGI PDS with the information from the AF Form 3547.

3.5.5. The base PEGI analyst submits the verified AF Form 3547 information to the MAJCOM PEGI analyst.

3.5.5.1. When projects do not meet amortization schedules, the organization must ensure that the project meets payback period criteria.

3.5.6. The MAJCOM PEGI analyst:

3.5.6.1. Checks the reports (AF Form 3547 or the ACN) to ensure the base obtains its planned benefits.

3.5.6.2. Works with the command OPR if a project requires corrective action.

3.5.6.3. Enters data from these reports in the PEGI PDS.

Chapter 4

PRODUCTIVITY INVESTMENT FUND (PIF) PROGRAM

4.1. PIF Program Description. PIF is an Air Force-sponsored PEFI program that lets organizations compete for self-sustaining funds to finance investments in equipment and facilities over \$200,000 that can amortize through savings within 4 years.

4.1.1. The HQ USAF PEFI manager selects and approves qualified projects, and transfers funds to the MAJCOM's budget.

4.1.1.1. For PIF military construction projects, budget authority is transferred to the Air Force military construction (MILCON) program. PIF MILCON projects are programmed in accordance with AFI 32-1021, *Planning and Programming of Facility Construction Projects*.

4.2. Submitting a PIF Project. The submitting organization appoints a project officer who oversees the project and requests help (if needed) from the base PEFI analyst.

4.2.1. The project officer prepares each project on an AF Form 2276, **Request for Productivity Investment Funds**, according to instructions in [attachment 6](#). The project officer may input data directly into the PEFI PDS.

4.2.1.1. The project officer works with support organizations (financial analysis and communications and information management if computers or information management equipment are involved) to prepare and complete the project before submitting it to the base PEFI analyst.

4.2.1.2. To expedite coordination, the project officer involves all applicable support organizations early in preparing the project.

4.2.2. The base PEFI analyst reviews the project for compliance with this instruction and ensures that the appropriate organizations have coordinated on the project.

4.2.2.1. If required, the manpower and quality office develops a variance to the standard, according to [attachment 6](#) of this instruction, which is approved when the project is approved.

4.2.3. The base PEFI analyst ensures project data is entered into PEFI PDS.

4.2.4. The base PEFI analyst submits the project request to the MAJCOM PEFI analyst.

4.2.5. The base PEFI analyst maintains an auditable project file (paragraph [2.8](#)).

4.2.6. HQ USAF activities submit projects directly to the HQ USAF Productivity Office.

4.2.7. Each project that affects manpower must include:

4.2.7.1. A manpower standard variance (if required), as specified in AFI 38-201.

4.2.7.2. A copy of the UMD identifying the exact authorizations.

4.2.8. The MAJCOM PEFI analyst must include PIF MILCON projects in the MAJCOM MILCON submission to HQ USAF. MILCON projects are submitted to HQ USAF/ILECD according to AFI 32-1021 and HQ USAF programming guidance.

4.2.8.1. State on DD Form 1391, **FY 19__Military Construction Project Data**, that the project is a PIF candidate.

4.2.8.2. Include copies of DD Form 1391 for MILCON projects in the PIF package submittal to the HQ USAF Productivity Office.

4.2.8.3. Enter the PIF Program Element (9.12.15) in block 5 of the DD Form 1391.

4.2.9. The command that will save the most resources handles projects that affect more than one command.

4.3. Reviewing and Approving a PIF Project:

4.3.1. The MAJCOM PECI analyst:

4.3.1.1. Checks projects for compliance with this instruction.

4.3.1.2. Works with command-level personnel to staff projects.

4.3.1.3. Maintains an auditable project file (paragraph 2.8.).

4.3.1.4. Ensures project data is entered into PECI PDS.

4.3.1.5. Submits projects to the HQ USAF PECI manager.

4.3.2. The HQ USAF PECI manager:

4.3.2.1. Checks projects for compliance with this instruction.

4.3.2.2. Works with HQ USAF activities to staff projects.

4.3.2.3. Approves or disapproves projects.

4.3.2.4. Ranks projects according to economic factors.

4.3.2.5. Funds approved projects up to the level of funding available.

4.3.2.6. Notifies the applicable MAJCOM PECI analyst of projects that HQ USAF has selected for funding.

4.3.2.7. Directs funds to the applicable MAJCOM's current operating budget to implement approved projects.

4.3.2.8. Maintains an auditable central project file for each funded project (paragraph 2.8.).

4.3.3. The HQ USAF PECI manager adds approved projects to the Air Force budget submission.

4.3.3.1. Once Congress approves and appropriates the budget and Air Force sets aside the funds, the organization submitting the project must ensure that an approved project becomes operational.

4.3.4. The HQ USAF PECI manager ensures project data is entered into PECI PDS.

4.3.5. Upon approval of a project, the HQ USAF PECI manager sends an information copy to AFC-QMI/MQA or AFCQMI/MQB so it can consider the project for Air Force-wide application.

4.4. Implementing an Approved PIF Project:

4.4.1. Upon approval of a project, the MAJCOM PECI analyst ensures that funds are allocated to the organization's current operating budget to implement the project.

4.4.2. As soon as funds become available, the project officer implements approved projects, with help from support organizations (for example, financial analysis and contracting or supply).

4.4.3. The organization submitting the project must stay within the approved project's limits. It must not:

4.4.3.1. Add equipment.

4.4.3.2. Change the project scope.

4.4.3.3. Increase the cost.

4.4.3.4. Lengthen the amortization period.

4.4.3.5. Decrease the IRR, ROI, or manpower savings.

4.4.3.6. If the equipment increases in price after the project officer has submitted a project, or if the project changes in scope, the organization submitting the project must:

4.4.3.6.1. Stop the project.

4.4.3.6.2. Revise AF Form 2276, for increases over 10 percent.

4.4.3.6.3. Staff the project again for increases over 10 percent.

4.4.3.7. The HQ USAF Peci manager must recommend continuation or cancellation of projects that have exceeded their limits.

4.4.3.8. If the increased cost is small (less than 10 percent), an organization may increase investment costs (such as acquisition, transportation, installation, and other one-time costs) by adding command funds.

4.4.3.9. The HQ USAF Peci manager grants final approval for any change in funding.

4.4.3.10. An organization may make adjustments to the project by getting the MAJCOM Peci analyst's and HQ USAF Peci manager's approval to purchase fewer units as long as the scope remains unchanged.

4.4.3.11. If costs increase and won't allow amortization of all costs within 4 years, the organization submitting the project must return the funds through regular budget channels to HQ USAF.

4.4.3.12. MILCON project scope and cost change limitations are established by Title 10 U. S. Code, Section 2853. Project cost increases or scope decreases must not exceed 25% without prior congressional notification. When it becomes apparent that either of these limits may be exceeded, the MAJCOM Civil Engineer must notify HQ USAF/ILECM to begin the congressional approval process.

4.4.3.13. Organizations must identify changes as early as possible if they affect the amortization period.

4.4.3.14. Organizations conduct a review if a significant change occurs in recurring costs.

4.4.3.15. Organizations must identify changes as early as possible if they affect the amortization period.

4.4.3.16. Organizations conduct a review if a significant change occurs in recurring costs.

4.4.4. The base Peci analyst tells the base financial analysis officer to return any excess funds to the MAJCOM financial analysis officer as soon as funds are committed.

4.4.5. Upon approval of the project, the base PECI analyst ensures that the appropriate manpower authorizations are coded in the command remarks field of the MDS.

4.4.5.1. When the equipment becomes operational, the base PECI analyst submits an ACR to update the MDS with manpower deletions.

4.4.5.2. The base PECI analyst limits each ACR to a single project. Each ACR will include the project number, project title, and a brief description of the equipment the organization has purchased.

4.4.5.3. The base PECI analyst ensures that manpower deletions in the ACR become effective during the same fiscal quarter that the equipment becomes operational and remain effective through the end of program or the last effective quarter that the UMD provides authorization.

4.4.5.4. In preparing the ACR, the base PECI analyst doesn't replace deleted manpower authorizations resulting from equipment that the base has purchased with unfunded requirements.

4.5. Reporting PIF Results. The project officer must report project results and may request help from the base PECI analyst.

4.5.1. The project officer prepares an AF Form 3547 for the base PECI analyst every 6 months according to [attachment 4](#).

4.5.1.1. The first report covers the period 1 October through 31 March of the fiscal year in which the organization received funds.

4.5.1.2. The second report covers the period 1 April through 30 September and so on, until the organization amortizes all investment costs. **EXCEPTION:** When the authorized investment dollars have been 100% expended, project is operational, savings are on track as projected, and a report has been provided with savings for a 6-month period, no additional reports are required.

4.5.2. The base PECI analyst verifies the information in AF Form 3547 and sends the form to the MAJCOM PECI analyst.

4.5.3. The MAJCOM PECI analyst:

4.5.3.1. Checks each AF Form 3547 to ensure that the organization with the project has obtained its planned benefits.

4.5.3.2. Works with the functional OPR if a project requires corrective action.

4.5.3.3. Sends the report to the HQ USAF PECI manager by the end of the month following each 6-month reporting period (that is, 31 October and 30 April).

4.5.3.4. Ensures project data is entered into PECI PDS.

4.6. Forms Prescribed. AF Forms 2276, Request for Productivity Investment Funds (PIF), 2288, Request for Fast Payback Capital Investment (FASCAP) Funds. 3547, Report of Productivity Enhancing Capital Investment (PECI) Programs Expenditures and Benefits.

ROGER G. DeKOK, Lieutenant General, USAF
DCS/Plans and Programs

Attachment 1**GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION*****References***

DoD Instruction 5010.36, *Productivity Enhancing Capital Investment (PECI)*, August 14, 1991.

AFPD 38-3, *Productivity Enhancing Capital Investment Programs*,

Abbreviations and Acronyms

ACN—Authorization Change Notice

ACR—Authorization Change Request

AFAA—Air Force Audit Agency

AFCQMI—Air Force Center for Quality and Management Innovation

AFSC—Air Force Specialty Code

BPAC—Budget Procurement Activity Code

CCN—Change Control Number

MDS—Manpower Data System

DoDEE—DoD Element of Expense

DRU—Direct Reporting Unit

DSN—Defense Switching Network

EEIC—Element of Expense Investment Code

FAC—Functional Account Code

FASCAP—Fast Payback Capital Investment

FOA—Field Operating Agency

GM—General Manager

GS—General Schedule

IRR—Internal Rate of Return

MAJCOM—Major Command

MILCON—Military Construction

MIS—Management Information System

O&S—Operating and Support

OPR—Office of Primary Responsibility

PCS—Permanent Change of Station

PEC—Program Element Code

PECI—Productivity Enhancing Capital Investment

PECI PDS—Productivity Enhancing Capital Programs Data System

PIF—Productivity Investment Fund

POM—Program Objective Memorandum

PPM—Productivity Program Management

ROI—Return on Investment

UMD—Unit Manpower Document

WG—Wage Grade

Terms

Amortization Period—The number of months or years required for the cumulative savings to have the same value as the investment cost.

Capital Investment—The acquisition, installation, transportation, and other costs needed to place equipment or facilities in operation meeting DoD capitalization requirements.

Committed funds—Funds are committed when funds are placed in an administrative reservation or there is intent to incur an obligation.

Cost-Avoidance Savings—Benefits from actions that remove the need for an increase in manpower or costs and would be necessary if present management practices continued. Cost-avoidance savings enables you to reach a higher level of readiness or increased value (quantity, quality, or timeliness) of output without increasing staffing or cost, or absorb a growing workload without increasing staffing or cost.

Economic Life—The expected useful life of the equipment.

Expended funds—Funds are expended when the bill is paid for supplies or services rendered.

Fast Payback Capital Investment (FASCAP) Program—FASCAP projects cost under \$200,000 and need to amortize within 2 years from the date they become operational. Although the DoD identifies this program as the "Productivity Enhancing Incentive Fund" (PEIF), the Air Force uses the acronym "FASCAP" in addressing this program. The funding for this program is self-sustaining.

Hard Savings—Benefits you can precisely measure, quantify, and place under management control at the time the benefits occur. You can reflect hard savings as specific reductions in the approved program or budget after you have obtained them. Examples include; manpower authorizations costs or funded workyear reductions, reduced or removed operating costs (such as utilities, travel, and repair), and reduced or removed parts and contracts.

Inflation Rate—The relative change in price level occurring from the midpoint of one fiscal year to the midpoint of the next fiscal year.

Input—The amount of resources (all types) that you use or consume to produce a product or service (output).

Intangible Savings—Reductions that prevent an increase in costs or requirements for funds or have produced an increase in readiness at no added cost.

Internal Rate of Return (IRR)—The discount rate that equates the present value of the future cash inflows (for example, savings and cost avoidance) with the present value costs of an investment.

Mission Life—The length of time that a unit requires an investment item.

Obligated funds—Funds are obligated when an order is placed with a vendor, a contract awarded, a service received, or any transaction that constitutes a legal requirement for a vendor to furnish supplies or services.

Offsets—The budget reductions that you specify during programming for FASCAP and PPM requirements and PIF projects, identified on AF Form 2276 to repay investment costs and PPM expenses (with inflation added).

Off-the-Shelf—Equipment that you can get through Government or commercial sources, or produce by combining or modifying existing equipment.

Output—The final products produced or services rendered.

Payback Period—The number of months or years required for the cumulative savings to have the same value as the investment cost.

Physical Life—The length of time you can expect the investment item to remain serviceable.

Productivity—The efficiency with which you use resources to provide a government service or product at specified levels of quality and timeliness.

Productivity Enhancement—A decrease in the unit cost of products and services delivered with equal or better levels of quality and timeliness.

Productivity Enhancing Capital Investment (PECI) Programs—Equipment or facility funding that improves government service, products, quality, or timeliness. You fund PEGI projects by using PIF and FASCAP (for equipment only) programs.

Productivity Enhancing Capital Investment (PECI) Savings—Benefits resulting from PEGIs, which are classified as hard savings or as cost avoidance.

Productivity Investment Fund (PIF)—PIF projects cost over \$200,000 and must amortize within 4 years from the date they become operational. This program became self-sustaining in FY 97.

Productivity Point of Contact—The individual in an organization or function who oversees all internal productivity efforts.

Requirements—The projected demand for funds you specify in the budgeting process for FASCAP projects and PPM expenses. MAJCOMs, FOAs, and DRUs report projected needs to the HQ USAF Productivity Office every 2 years. You identify funds by program, appropriation, and amount.

Self-Sustaining—Self-supporting, that is, funds for FASCAP and PIF projects and PPM initiatives are loaned and paid back 2 years later during the POM and budget submissions.

Tangible Savings—Cost reductions that are reasonably measurable and that reduce the established level of approved expenditures for a defined workload or force level.

Technological Life—The length of time before a newer item is expected to make the current investment item obsolete.

Attachment 2

**FORMAT FOR PROGRAMMING FASCAP/PPM FUNDS (COMMAND NAME)
REQUIREMENTS FOR AIR FORCE PRODUCTIVITY ENHANCING CAPITAL
INVESTMENT PROGRAMS**

Description: Implements a self-sustaining program and provides resources to fund Fast Payback Capital Investment (FASCAP) Program and Productivity Program Management (PPM) initiatives.

	FY____	FY____	FY____	FY____
Requirements (PEC 91215F/\$M)				
<u>FASCAP</u>				
APPN_____	_____	_____	XXX	XXX
APPN_____	_____	_____	XXX	XXX
APPN_____	_____	_____	XXX	XXX
 <u>PPM</u>				
APPN 3400	_____	_____	XXX	XXX
TOTAL	_____	_____	XXX	XXX

**(COMMAND NAME) OFFSETS FOR
AIR FORCE CAPITAL INVESTMENT PROGRAMS**

Description: Implements a self-sustaining program and provides offsets to fund Fast Payback Capital Investment (FASCAP) Program and Productivity Program Management (PPM) initiatives.

FY____ FY ____ FY ____ FY ____

If offsets are being provided in appropriation 3400, then identify:

Offsets (PEC _____/DoDEE_____/EEIC_____/Amount_____ (\$M) by FY

If offsets are being provided in manpower resources, then identify:

Manpower (PEC/Category/Number)

PEC/Officer/Number of resources by FY

PEC/Enlisted/Number of resources by FY

PEC/Civilian/Number of resources by FY

TOTAL _____

Attachment 3**HOW TO COMPLETE AF FORM 2288, REQUEST FOR FAST PAYBACK CAPITAL INVESTMENT (FASCAP) FUNDS**

A3.1. Item 1--Project No. (CMD, FY, No.). The MAJCOM PECI analyst assigns the FASCAP number using the three-digit command identifier, followed by the two-digit fiscal year of expected funding, and completing with the three-digit sequentially assigned number that corresponds with the order of receipt and processing (for example, ACC-93-003).

A3.2. Item 2--Project Title: Identify the project in 60 alphanumeric characters or less stating the type of equipment in the project.

A3.3. Item 3--Command. Identify the command submitting the project or the host command for budget or procurement (if other than the command benefiting from the project).

A3.4. Item 4--Type Standard. Have the base PECI analyst check the proper block.

A3.5. Item 5--Economic Life. Enter the estimated economic life of the equipment in years. (See DODI 4100.33, *Commercial Activities Program Procedures*, or HQ USAF/XPM memorandum, Air Force Commercial Activities Program Instruction, 13 July 1998).

A3.6. Item 6--Project Location(s). Select the appropriate block for this project; AF Force Wide, Command Wide, or Specify. Enter the number of locations, the organization, base, state, work center title, FAC, the location where you will locate the equipment (for multiple locations, identify separately). Also list each work center benefiting from the project by title and four-character FAC.

A3.7. Item 7--Brief Project Description. Briefly describe:

A3.7.1. The type of equipment being purchased.

A3.7.2. Why this equipment is needed and how the project generates savings (within and outside the Air Force).

A3.7.3. Define manpower savings and/or the operations and support savings.

A3.8. Item 8--Detailed Justification:

A3.8.1. Describe summary costs and benefits that you plan to use to amortize this project.

A3.8.2. Include significant changes from present processes or operations.

A3.8.3. Describe how your expected results will improve productivity. Describe how you will track the savings, other than manpower authorizations.

A3.8.4. Explain what you plan to do with the operations and support savings. *NOTE:* Use a continuation page if needed.

A3.9. Item 9—Confirmatory IDEA:

A3.9.1. This section must be completed for submission as a confirmatory IDEA. See AFI 38-401.

A3.9.2. Fill in Name, Grade, Office symbol, phone number, and e-mail address.

A3.9.3. The project officer must identify the average annual net savings (\$). Average annual net savings (\$) will be calculated as follows:

A3.9.3.1. Take life-cycle savings (item 13), minus total investment costs (item 10e4); divide by economic life (item 5).

A3.10. Item 10--Investment Costs. Use whole dollars.

A3.10.1. Source (10.A). No entry.

A3.10.2. APPN (Appropriation) (10.B). You can find definitions in AFI 65-601, volume 4, *Appropriation Symbols and Budget Codes*. For FASCAP, funds in APPN 3080 cover only procurement of non-centrally managed items of equipment costing over \$100,000. APPN 3400 covers expendable equipment, supplies, and minor construction and equipment with a unit cost up to \$100,000 that doesn't form part of a system. When purchased under FASCAP, automated information systems and general automatic data processing equipment receive funding as a system rather than on a component basis, as specified in this instruction and AFI 65-601, volume 1, *US Air Force Budget Policies and Procedures*. Use MULTI for any non-FASCAP appropriation.

A3.10.3. Equipment (10.C):

A3.10.3.1. Identify the total estimated purchase price of the equipment.

A3.10.3.2. Identify any related costs, including shipping charges that the vendor will pay and not be billed separately and vendor installation charges. *NOTE:* Subtract auditable vendor sales credit.

A3.10.3.3. Show vendor price reductions in the detailed explanations, not as one-time savings.

A3.10.3.4. Deduct credits or discounts from the purchase price and enter this adjusted delivery price as the equipment cost. *EXCEPTION:* Prompt payment discounts.

A3.10.4. Other (10.D). Identify the expected cost of:

A3.10.4.1. Project installation.

A3.10.4.2. Assembly that the vendor will not do.

A3.10.4.3. Work that the vendor will bill separately and is not included in the purchase price.

A3.10.4.4. Restoration, modification, or furnishings required to make the equipment operational.

A3.10.4.5. Shipment charges not included in the purchase price.

A3.10.4.6. Other one-time costs (for example, start-up kits and training) you get before the equipment becomes fully operational. *EXCEPTION:* Exclude normal recurring O&S costs.

A3.10.5. Total (10.E). Add the figures in columns C and D across and enter the total in column E.

A3.11. Item 11--Savings. Use a separate sheet to itemize and explain each one-time and annual savings or cost. Use auditable whole dollar figures.

A3.11.1. Source (11.A). No entry.

A3.11.2. One-Time (11.B). Show all one-time savings or costs.

A3.11.2.1. Military Manpower (11.B.[1]). Show the value of any military manpower authorization that is not a “whole day” space and is being used to amortize a project.

A3.11.2.2. Civilian Manpower (11.B.[2]). Show the value of any civilian manpower authorization that is not a “whole day” space and is being used to amortize a project.

A3.11.2.3. Operations and Support (11.B.[3]): Show the value of any warranty for maintenance if it is not included in the total purchase price. Also ensure this is a one-time credit only and not a recurring cost.

A3.11.2.4. Supply Credit (11.B.[4]). Any auditable amount that an Air Force supply organization allows for turning in old equipment. The chief of supply must verify the credit in writing.

A3.11.2.5. Total (11.B.[5]). Total all one-time savings and enter here.

A3.11.3. Annual (11.C): Include all recurring savings and costs. Show all expenses or costs in parentheses to be deducted from the final savings.

A3.11.3.1. Military Manpower (11.C.[1]): Show the expected annual dollar value for military manpower that you will delete. Use the personnel cost-planning factors in AFI 65-503, *US Air Force Cost and Planning Factors, Table 33-2 and Table 31-2*. PCS costs are entered as O & S savings, see item A.3.11.3.3.

A3.11.3.2. Civilian Manpower (11.C.[2]). Show the expected annual dollar value for civilian manpower that you will delete.

A3.11.3.2.1. For General Schedule (GS) civilians, use the personnel cost planning factors in AFI 65-503, *US Air Force Cost and Planning Factors, Table 33-2 and Table 31-2*.

A3.11.3.2.2. For Wage Grade (WG) civilians:

A3.11.3.2.2.1. Use the hourly rate for the applicable grade in step 3 from the latest wage rate schedule that the DoD Wage-Fixing Authority publishes.

A3.11.3.2.2.2. Multiply the hourly rate by 2,087 hours to get an annual rate.

A3.11.3.2.2.3. Adjust the rate to show the cost of retirement, shift differentials, and other fringe benefits.

A3.11.3.2.2.4. Get help (if needed) from your financial analysis officer in determining these figures.

A3.11.3.2.3. For local national civilians, use the local wage rates for the particular skills required. Include:

A3.11.3.2.3.1. Gross annual pay.

A3.11.3.2.3.2. Administrative charges to local governments (if applicable).

A3.11.3.2.3.3. Government contributions the operating budget or civilian payroll organization provides.

A3.11.3.2.3.4. Shift differentials.

A3.11.3.2.3.5. Sunday and holiday pay (when proper).

A3.11.3.2.3.6. Authorized bonuses at the host-country rate.

A3.11.3.3. Operations and Support (11.C.[3]):

A3.11.3.3.1. Show the total recurring O&S savings or costs after itemizing the expected value of labor, parts, and supplies to maintain equipment.

A3.11.3.3.2. Only include labor cost savings if military or civilian manpower don't already include it, such as with historically documented civilian overtime and military permanent change of station (PCS) costs.

A3.11.3.3.3. Include the expected costs of all:

A3.11.3.3.3.1. Expendable equipment.

A3.11.3.3.3.2. Fuels.

A3.11.3.3.3.3. Supplies.

A3.11.3.3.3.4. Utilities.

A3.11.3.3.3.5. Maintenance contracts.

A3.11.3.3.3.6. Materials to operate the equipment.

A3.11.3.4. Supply Credit (11.C.[4]). No entry.**A3.11.3.5. Total (11.C.[5]). Total of all annual savings and costs.**

A3.11.4. Two-Year (11.D). Enter the result by doubling annual savings and adding the one-time savings ($2 \times 11.C + 11.B$) if the savings are predictable and the same savings can be assumed during the for the first and second year of operation. If not, define first and second year savings and differences in a savings detail worksheet and attach to project. Use the total 2-year savings from your savings detail.

A3.12. Item 12--Payback Period (Months to One Decimal). Use items 10E(4) and 11D(5) to compute payback period, as the formula printed on the form shows.

A3.13. Item 13--Life Cycle Savings. Use the formula printed on the form (item 5 (economic life) times item 11C[5] (annual savings) plus item 11B[5]). Compute in whole dollars.

A3.14. Item 14—Verification of Manpower Savings. Use this section to identify manpower authorizations data proposed for deletion to amortize the project. Identify by command, Program Element Code (PEC), FAC, grade, numbers of authorizations within that grade, and total dollar amount for the number of authorizations within that grade. Use the personnel cost planning factors in AFI 65-503, *US Air Force Cost and Planning Factors, Table 31-2*. Manpower actions must be implemented during the fiscal quarter the equipment becomes operational.

A3.15. Item 15--Disposition of Savings. Complete by stating, what you plan to do with the savings identified in 11C(5) and whether you plan to use the savings to fund projects based on an existing prioritized list.

A3.16. Item 16--Project Officer. Enter name, rank (military title or civilian grade), title, Defense Switching Network (DSN) Telephone number and organization address.

A3.17. Item 17--Verification. Include in item 17A the name, rank (military title or civilian grade), and job title of the individual signing item 17B. The required signatures verify this request meets a valid workload requirement, contains accurate cost and savings data and complies with all applicable Air Force policies and directives.

A3.18. Item 18--Approval Authority. (Reserved for the signature of the MAJCOM PECO analyst.) Include in item 18A the name, rank (military title or civilian grade), and job title of the individual signing in item 18B.

A3.19. Item 19--Attachments. Place the number of the attachment in the block to the left of the item included.

A3.19.1. Continuation Page. Self-explanatory.

A3.19.2. Investment Cost Detail. (Required for all projects.) Ensure that:

A3.19.2.1. Cost detail specifies appropriation (for example, APPN 3400 includes transportation, installation, and other one-time expenses, if they don't represent a system cost).

A3.19.2.2. The price quote is current.

A3.19.2.3. You have included warranty information.

A3.19.2.4. You show or identify the source document (for example, vendor quotes, GSA catalog, and daily document register) and provide all computations.

A3.19.3. Savings Detail. (Required for all projects.):

A3.19.3.1. Ensure that you use current salary factors.

A3.19.3.2. Show investment or savings detail of old and new systems.

A3.19.3.3. Include an ACR and the UMD for all involved work centers when you use manpower for savings.

A3.19.3.4. Include a description of the specific procedures you plan to use to track and gather data to support claimed savings.

A3.19.4. Requirements Document (AFI 33-103, *Systems Requirements Development and Processing*). Use a validated AF Form 3215 that you prepare according to AFI 33-103, *Systems Requirements Development and Processing*, when you request an information system. For medical requirements, the approval authority contacts the Air Force Medical Support Agency (AFMSA), 2510 Kennedy Cir, Ste 2, Brooks AFB TX 78235-5121, to verify the approval. All other projects comply with AFI 23-101, *Centrally Managed Equipment*.

A3.19.5. Desktop Publishing System Equipment. When projects involve acquiring composition, printing, binding, duplicating, or related equipment and programs, attach a statement showing that you have coordinated with the base or command information management organization. This coordination verifies that the approved, long-range printing plan reflects the requested items or that the Printing Management Branch (SAF/AAIPR), 170 Luke Ave, Ste 300, Bolling AFB DC 20332-5113, has approved out-of-cycle printing.

A3.19.6. Variance to Manpower Standard. Use this attachment for functions under Air Force or command manpower standards when the project saves manpower authorizations. (Use format in [attachment 6](#).)

A3.19.7. Supply Credit Statement. Provide this statement if you want to claim credit for the turn-in of equipment. The proper logistics organization must provide a statement verifying that a firm due date exists for you to turn equipment in.

A3.19.8. Approval Notification Addressees. (Required for all projects.) Provide a list that the approval authority can use to notify all appropriate organizations of project approval.

Attachment 4**HOW TO COMPLETE AF FORM 3547, REPORT OF PRODUCTIVITY ENHANCING CAPITAL INVESTMENT (PECI) PROGRAMS EXPENDITURES AND BENEFITS**

A4.1. Item 1--Project Number. Enter the project control number from the approval notification or from AF Forms 2288 or 2276, item 1.

A4.2. Item 2--Project Title. Enter the title from AF Forms 2288 or 2276, item 2.

A4.3. Item 3--Unit or Location. List the unit or location that AF Forms 2288 or 2276 identify. If more than one location exists, list "multiple locations" and identify them in item 11, *Remarks and Attachments*. Explain in item 11 any changes from the original project request.

A4.4. Item 4--Period Covered by This Report. FOR FASCAP: Enter the day, month, and year this 6-month reporting period began and ended. Reports begin 6 months after the operational date. FOR PIF: Enter the day, month, and year of this report. Report periods run from 1 October to 31 March and 1 April to 30 September. Reporting begins when you receive funds.

A4.5. Item 5--Project Officer. Enter the name and rank (military title) of your current primary point of contact.

A4.6. Item 6--DSN (Defense Switching Network). Enter the DSN number of the project officer listed in item 5.

A4.7. Item 7--Operational Date. FOR FASCAP: Enter the day, month, and year that the project became fully operational. FOR PIF: Enter the month and year that the project became, or you expect it to become, fully operational. If this date has changed from the original request or last report, explain the difference in item 11.

A4.8. Item 8--Investment Expenditure Summary. Use this section to record expenses to implement this project in whole dollars.

A4.8.1. Column A--Item of Expense. Group investment costs by type of appropriation and command-funded items.

A4.8.1.1. Lines (1)--Other Procurement (3080), (2)--MILCON (3300) (PIF ONLY), (3)--O&M (3400). Refer to the funded items that have received original approval and supplements.

A4.8.1.2. Line (4)--Command Funds. The command can fund these investment costs, regardless of appropriation, for example, transportation that the purchase price doesn't include, or installation that the vendor hasn't done or has billed separately, or other one-time startup costs that the Peci programs don't fund. Don't include any recurring costs.

A4.8.1.3. Line (5)--Totals. Enter the total for each of the columns.

A4.8.2. Column B--Original Authority. Enter the originally authorized funds for each item of expense that the approval notification identifies.

A4.8.3. Column C--Supplemental or (Excess)(To Date). Enter any extra funds that authorities allow for each item of expense. Regardless of appropriation, include funds that the command provides on-line (4). Enter a negative number (-) for excess funds that you have returned to the parent command or HQ USAF for decreases in funding (for example, congressional budget reductions). Provide an explanation in item 11.

A4.8.4. Column D--Total Auth (B + C). Enter the total authorized funds for each item of expense. Add items 8B + C.

A4.8.5. Column E--Obligated (To Date). Enter the total of obligated funds by item.

A4.8.6. Column F--% Obligated or Expended ($E + D \times 100$) (PIF ONLY). Compute the percentage of authorized funds that you have spent.

A4.8.7. Column G--Remainder (D - E). Enter the balance of funds. Reduce the remainder to zero as soon as you have completed all purchases by returning any excess funds. The remainder must be zero before the project can amortize.

A4.9. Item 9--Cost Benefit Summary. Use whole dollars.

A4.9.1. FASCAP. Use this section to record your cost savings from implementing this project during the period that this report covers. Include all costs even if the old and new system costs are identical. When recurring costs of the new system exceed those of the old system, show negative entries (-). Use item 11 or an attachment to show detailed calculations.

A4.9.2. PIF. Use this section to record your cost savings from implementing this project. Where recurring costs of the new system exceed those of the old system, show negative entries (-). Item 11 or an attachment should show detailed calculations. Use this section as soon as the new system causes any change in the recurring cost. An entire project doesn't need to be operational before savings can begin. Projects involving several phases of implementation, multiple locations, or several independent pieces of equipment may begin to realize savings well before the entire project becomes completely operational. As long as the savings relate directly to that portion of the project that has been completed, show them here. Item 11 or an attachment explains how the project generated the savings.

A4.9.3. Column A--Items of Savings. These figures must include all workload costs that the proposed equipment or facilities have increased or reduced. Include all costs, even if the old and new system costs are identical. Use column A to enter the appropriation (for example, 3400 [O&M and contract and civilian personnel costs] and 3500 [military personnel costs]). (See special instructions for manpower cost, paragraph A4.9.12.)

A4.9.4. Column B--One-Time Savings. Identify the actual amount that the supply organization allows and any other one-time savings. *NOTE:* One-time maintenance savings due to a warranty, for example, are not one-time savings. Show the "savings" as reduced maintenance costs in the new system O&S. The new system maintenance cost can be zero if a warranty was in effect for the entire period. FOR PIF: When using military or civilian positions that you have already identified for deletion, calculate the expected dollar value and show this as one-time savings only.

A4.9.5. Column C--Old System O&S Cost. Identify the estimated recurring costs of the old system for each item of savings. Estimates must reflect changes in workload. (See special instructions for manpower cost, paragraph A4.9.12.)

A4.9.6. Column D--New System O&S Cost. Identify the actual recurring cost of the new system for each item of savings. Warranties, for example, reduce the maintenance cost. (See special instructions for manpower cost, paragraph A4.9.12.)

A4.9.7. Column E--O&S Savings (C - D). Enter the result of subtracting the new system cost from the old system cost for each item of savings.

A4.9.8. Column F--Deflator (PIF ONLY). Adjust then-year savings amounts to the constant dollars of the year in which you made the investment. (See definitions in AFI 65-502, *Inflation*.) The base comptroller can help with this conversion. The Air Force Inflation Tutorial, available from SAF/FMCE (and also on the Air Force Cost Analysis Agency Bulletin Board System), can help with calculating inflation conversions.

A4.9.9. Column G--Savings (B + E). FOR FASCAP: Add the one-time (item 9B) and O&S (item 9E) savings. FOR PIF: Add the one-time (item 9B) and O&S (item 9E) savings and multiply by the proper deflator (item 9F).

A4.9.10. Column H--Previous Savings (Last Report). Enter the dollar figures from each item of savings from item 9I of the previous report, if applicable.

A4.9.11. Column I--Total Savings. Enter the sum of item 9G + H for each item of savings.

A4.9.12. Special Instructions for Manpower O&S Costs. You don't need to calculate total system figures for manpower costs. In item 11, or on a separate attachment, provide a list of positions (command, PEC, FAC, grade, number of authorizations per grade, dollar amount per grade) for the old and new systems. Only calculate costs for those positions that you have deleted. Deleted positions usually have a zero cost in the new system unless you reinvest at a higher grade, in which case a cost applies equal to the difference between the two grades. This approach makes calculations easier and eliminates possible arithmetic errors when many positions remain the same under old and new systems and especially when pay rates change during the reporting period. FOR PIF: When using military or civilian positions that you have already identified for deletion, calculate the expected dollar value and show it as a one-time savings only.

A4.10. Item 10--Amortization. Enter the figures from items 9I(6) and 8E(5), then subtract. The difference is the cumulative net benefits. Use negative entry (-) when expenses exceed savings. When cumulative net benefits become "zero" or a "positive" number, and you have no remaining investment funds to spend, the project has amortized and you don't need to submit further reports.

A4.11. Item 11--Remarks and Attachments. Use this space to continue any items and to explain when actual benefits fall short of predicted benefits. Identify the corrective actions that you planned and took to gain predicted benefits. Use a continuation page, if necessary. List all attachments, including, as a minimum, attachment 1, *Investment Expenditures and Cost-Benefit Detail*, and attachment 2 (PIF only), *Revised Milestone Chart*, showing and explaining any changes to milestones previously provided. **NOTE:** Milestone charts target 100 percent obligation by the end of the first fiscal year. The fact that 3080 funds receive authorization for 3 years is no guarantee that authorities won't redirect them to other deserving projects if your procurement is unsatisfactory or slow. **EXCEPTION:** MILCON projects have up to 2 years.

A4.12. Item 12--Verification. Include name, rank (military title), job title, signature, and date of signature for those persons verifying the report. The project officer coordinates reported savings with applicable base officials. MAJCOM PEGI analyst coordinate reported savings with the applicable command headquarters officials.

Attachment 5**HOW TO COMPLETE AF FORM 2276, REQUEST FOR PRODUCTIVITY INVESTMENT FUNDS (PIF)**

A5.1. Item 1--Project No. (FY, No.,CMD). The MAJCOM Peci analyst assigns the number as follows, the two-digit fiscal year of expected funding, followed by the two-digit sequentially assigned number corresponding to the order processed, completed with the three-digit command identifier (for example, 9701PAF). **NOTE:** You must include the project number with all correspondence dealing with the project.

A5.2. Item 2--Project Title. Identify the project in 60 alphanumeric characters or less.

A5.3. Item 3--Command: Annotate the command submitting the project and the host command for budget or procurement (if other than the command benefiting from the project).

A5.4. Item 4--Type Standard. Have the base Peci analyst check the proper block.

A5.5. Item 5--Expected Operational Date. Enter the month and year in which you expect the project to be fully operational.

A5.6. Item 6--Economic Life or Limiting Factor. Enter the estimated economic life of the equipment in years. (See DODI 4100.33, *Commercial Activities Program Procedures*, or HQ USAF/XPM memorandum, Air Force Commercial Activities Program, dated 13 July 1998.

A5.7. Item 7--Project Location(s). Select the appropriate block for this project; AF Force Wide, Command Wide, or Specify. Enter the number of locations, the organization, base, state, work center title, FAC, the location where you will locate the equipment (for multiple locations, identify separately). Also list each work center benefiting from the project by title and four-character FAC.

A5.8. Item 8--Brief Project Description. Briefly describe:

A5.8.1. The type of equipment being purchased.

A5.8.2. Why this equipment is needed and how the project generates savings (within and outside the Air Force).

A5.8.3. Define manpower savings and/or the operations and support savings.

A5.9. Item 9--Detailed Justification:

A5.9.1. Describe summary costs and benefits that you plan to use to amortize this project.

A5.9.2. Include significant changes from present processes or operations.

A5.9.3. Describe how your expected results will improve productivity. Describe how you will track the savings, other than manpower authorizations.

A5.9.4. Explain what you plan to do with the operations and support savings. **NOTE:** Use a continuation page if needed.

A5.10. Item 10--Confirmatory IDEA:

A5.10.1. This section must be completed for submission as a confirmatory IDEA. See AFI 38-401, *The Air Force Innovative Development through Employee Awareness (IDEA) Program*.

A5.10.2. Fill in Name, Grade, Office symbol, phone number, and e-mail address.

A5.10.3. The project officer must identify the average annual net savings (\$). Enter the average annual net savings (\$) from item 17f(3).

A5.11. Item 11--Investment Data. Use whole dollars. *NOTE:* Amounts should be undiscounted, constant dollars for each year in which funds are required.

A5.11.1. Source. No entry.

A5.11.2. APPN. You can find definitions in AFI 65-601, volume 4, *Appropriation Symbols and Budget Codes*. For PIF, funds in APPN 3080 cover only procurement of non-centrally managed items of equipment costing over \$100,000. APPN 3300 covers military construction of facilities costing over \$300,000. APPN 3400 covers expendable equipment, supplies, minor construction, and equipment with a unit cost up to \$100,000 that doesn't form part of a system. When purchased under PIF, automated information systems and general automatic data processing equipment receive funding as a system rather than on a component basis, as specified in this instruction and AFI 65-601, volume 1, *US Air Force Budget Policies and Procedures*. Use MULTI for any non-PIF funds.

A5.11.3. FY ____ (11.C through F):

A5.11.3.1. Include the fiscal year of funding in the heading line.

A5.11.3.2. Show a reasonable expectation of fund obligations.

A5.11.3.3. Enter figures by appropriation (rows [1] through [5] and total [6]) and relate to the distribution in item 11.

A5.11.3.4. The fiscal year in column C should be the same as in item 1.

A5.11.4. Total (11 G.[1] through [6]). Sum of rows C through F.

A5.12. Item 12--Distribution of Investment Costs. Use whole dollars. Identify the use of funds shown in item 10.

A5.12.1. Acquisition (12.A):

A5.12.1.1. Show the total estimated purchase price of the equipment.

A5.12.1.2. Show any related costs, to include:

A5.12.1.2.1. Shipping charges that the vendor will pay and not billed separately.

A5.12.1.2.2. Installation charges by the vendor as a normal practice.

A5.12.1.3. Less any auditable vendor sales credit.

A5.12.1.4. Subtract credits or discounts from the purchase price.

A5.12.1.5. Enter this adjusted delivery price as the equipment cost. *EXCEPTION:* Prompt payment discounts.

A5.12.1.6. Show vendor price reductions in the detailed explanations, not as one-time savings.

A5.12.2. Construction (12.B). Identify the expected cost to build, repair, or rehabilitate any facility. Do not include the cost associated with installing equipment and funded with O&M funds. Usually includes all appropriation 3300 funding.

A5.12.3. Installation (12.C). Identify the expected cost of project installation, erection, and assembly that the vendor has not done or has billed separately, that is, not included in the purchase price. Also include the cost of restoration, modification, or furnishings to make the equipment operational.

A5.12.4. Transportation (12.D). Identify expected shipment charges that the purchase price doesn't include.

A5.12.5. Other (12.E). Identify any other relevant one-time costs not included in acquisition, construction, installation, and transportation (for example, spare parts, startup kits, and training) that you get before the equipment becomes fully operational. *EXCEPTION:* Exclude normal recurring operating costs.

A5.12.6. Total (12.F). Add acquisition, installation, transportation, and other costs. The sum is the total of all one-time (investment) costs.

A5.13. Item 13--Authentication:

A5.13.1. Project Officer (13.A) Enter name, rank (military title or civilian grade), title, DSN telephone number, Organization, and mailing address.

A5.13.2. Signature (13.B). Project officer's signature.

A5.13.3. Date (13.C). Date you submitted the project to the base Peci analyst.

A5.14. Item 14--Savings Information. Use whole dollars.

A5.14.1. Type of Savings. This section identifies the project's savings.

A5.14.1.1. Labor Dollars (14.A.[1]). This row identifies the expected dollar value for deleted military and civilian manpower. Ensure that you have validated manpower requirements through POM submissions, by applying manpower standards, or by adding it to the UMD.

A5.14.1.1.1. Manpower can be whole authorizations or equivalents (item 17) and can include funded or unfunded requirements.

A5.14.1.1.2. For military positions, use the accelerated, annual personnel cost-planning factors in AFI 65-503, *US Air Force Cost and Planning Factors*. Include PCS costs in category (2) Operations and Support. For civilian manpower, include overtime costs in category (2) Operations and Support.

A5.14.1.1.3. When using military or civilian positions that you have already identified for deletion, calculate the expected dollar value and show it in first-year savings only.

A5.14.1.1.4. For GS and general manager (GM) civilians, use the accelerated, annual personnel cost-planning factors in AFI 65-503, *US Air Force Cost and Planning Factors*.

A5.14.1.1.5. For WG civilians:

A5.14.1.1.5.1. Use the hourly rate for the applicable grade in step 3 from the latest wage rate schedule that the DoD Wage-Fixing Authority publishes.

A5.14.1.1.5.2. Multiply the hourly rate by 2,087 hours to get an annual rate.

A5.14.1.1.5.3. Adjust the rate to show the cost of retirement, shift differentials, leave, holiday pay, and other fringe benefits.

A5.14.1.1.5.4. Get help (if needed) from your financial analysis officer in determining these figures.

A5.14.1.1.6. For local national civilians, use the local wage rates for the particular skills required. Include:

A5.14.1.1.6.1. Gross annual pay.

A5.14.1.1.6.2. Administrative charges to local governments (if applicable).

A5.14.1.1.6.3. Government contributions the operating budget or civilian payroll organization provides.

A5.14.1.1.6.4. Shift differentials.

A5.14.1.1.6.5. Sunday and holiday pay (when proper).

A5.14.1.1.6.6. Authorized bonuses at the host-country rate.

A5.14.1.2. Operations & Support (14.A.[2]): This row identifies the expected net value of labor (except as shown in paragraph A6.13.1.1). Include the value of historically documented civilian overtime, military PCS, and other relevant costs not included above. Include spare parts to maintain equipment and facilities and the value of any warranty that the supplier provides for maintenance. Include the expected net value of all expendable equipment, fuels, supplies, utilities, maintenance contracts, and materials. Itemize and explain thoroughly.

A5.14.1.3. Total Dollars (14.A.[3]). Includes all auditable cost savings from lines (1) and (2).

A5.14.2. Prior to Operational Date Savings FY____ (14.B.[1], [2] and Total [3]). Include savings associated with the project that occurred before the operational date. These savings can result from phased implementation because of multiple locations or several pieces of related but independent equipment coming on line at different times.

A5.14.3. Part-Year Savings _____ Months FY _____ (14.C.[1], [2], and Total [3]). Leave blank if item 5 is the beginning of a fiscal year. Otherwise, include savings from the operational date until the end of the fiscal year. Fill in the number of months and the fiscal year in which savings occur.

A5.14.4. First, Second, and Third Full Year After Operation FY _____ (14.D.[1], [2], and Total [3]; 14.E.[1], [2], and Total [3]; and 14 F.[1], [2], and Total [3]). Include savings occurring in the respective complete fiscal years.

A5.14.5. Fourth Year Full/Part _____ Months FY _____ (14.G.[1], [2], and Total [3]). Include savings occurring in the fourth fiscal year after the operational date. If you don't use part-year savings, this column applies to a full year (mark out PART). If you use part-year savings, this column applies to the number of months required to make 12 months of savings when you add them to the number of months in part-year savings (column C).

A5.14.6. Total Savings 4 Full Years of Operation (14.H.[1], [2] and Total [3]). Add columns B through G.

A5.15. Item 15--Manpower Savings. Use figures in whole authorizations with equivalents to one decimal. *NOTE:* Apply column heads from item 14 to lines 1 through 3.

A5.15.1. Saved Authorizations. The number of whole authorizations (military or civilian) that you expect to save and reinvest against valid, unfunded requirements. The number must match the figure in item 18. Mark only the first-year savings that occur.

A5.15.2. Saved Equivalents. Number of partial authorizations (including documented military and civilian overtime) that you saved by totaling work hours or by various positions. This number shows the equivalent of authorizations that you can save but don't have available to use against unfunded, validated requirements. Also include reduced validated requirements for which you have not set up funded authorizations. Do not include requirements that you haven't validated by the manpower function through POM submissions, applying manpower standards, or adding them to the UMD as an unfunded requirement.

A5.15.3. Total Manpower Saved. Enter the total of saved authorizations and saved equivalents for each FY and total for all full years.

A5.16. Item 16--Average Annual Savings--After First 4 Years of Operating to End of Life Cycle.

Normally, these figures match items 14 and 15, column F, and show the anticipated annual savings for the remaining life of the equipment or facility. If figures differ from items 14 and 15, column F, show this in the economic analysis as changing yearly savings. Average the total savings after the fourth year and use the average in the proper places.

A5.17. Item 17--Life-Cycle Savings. Use whole dollar. Use the figures from items 6, 14, and 16 to calculate the total life-cycle savings that the form requests.

A5.18. Item 18--Verification of Manpower Savings. Identify whole manpower authorizations with which you plan to amortize the project. The base manpower officer can help you with this data. Use item 9 to identify manpower equivalents or avoidances and state how they will impact the work center, that is, reduce backlogs, increase output, and absorb new workload. For whole manpower authorizations, identify the disposition.

A5.18.1. CMD. Identify the command the authorizations are being deleted. Explain disposition of savings in item 19. Deletion actions must be effective during the fiscal quarter the equipment becomes operational.

A5.18.2. PEC. Identify the Program Element Code (PEC) the authorizations are going to be deleted. Deletion actions must be effective during the fiscal quarter the equipment becomes operational.

A5.18.3. FAC. Identify Functional Account Code (FAC) for authorizations that you are deleting.

A5.18.4. Grade. Identify specific military or civilian grades for authorizations that you are deleting. If reinvestment is at a higher grade, you must show the pay difference in labor dollars in item 13(1) as an extra recurring cost.

A5.18.5. AMT. Identify the number of whole authorizations. If you are returning all or part of the authorizations to HQ USAF for disposition or keeping them at command level for future disposition,

show in item 19, Disposition of Savings. Deletion actions must be effective during the fiscal quarter the equipment becomes operational.

A5.18.6. Dollar (\$) AMT. total dollar amount for the number of authorizations within that grade. Use the personnel cost-planning factors in AFI 65-503, *US Air Force Cost and Planning Factors*, Table 33-2.

A5.19. Item 19--Disposition of Savings. The MAJCOM PEGI analyst must complete this. Disposition of savings for both manpower and operations and support savings have to be explained.

A5.20. Item 20--Offsets. To be completed by the MAJCOM/FOA/DRU PEGI analyst. This section is used to identify the offsets for this projects. Offsets must include offsets for military and civilian pay by PEC, category (officer, enlisted, civilian) and number of each. Offsets for other than manpower the MAJCOM PEGI analyst must identify by PEC, Appropriation, Element of Expense Investment Code (EEIC) and the dollar amount. The offsets must include the appropriate inflation factor.

A5.21. Item 21--Verification. Signature block is for the HQ USAF Productivity Office use only.

A5.22. Item 22--Classification of Savings. Use figures in item 14 and the following criteria to determine amount of hard and soft savings.

A5.22.1. Type of Savings. Types of savings broken into labor dollars and operations, support dollars, and total.

A5.22.2. Four-Year Savings (22.B.[1] and [2]). From 14H(1) and (2).

A5.22.3. Amount of Hard Savings (22.C.[1] and [2]). The amount of Column 20B that is hard savings, those savings that reduce the actual funding of the work center and let you redirect that funding to another unfunded requirement or increase the capability of existing resources.

A5.22.3.1. Labor Dollars (22.C.[1]). That portion of total labor dollars representing the authorizations in item 15(1) and those work hours (equivalents) that you saved from the validated, funded positions in item 15H(2).

A5.22.3.2. Operations and Support (22.C.[2]). That portion of total O&S dollars representing currently funded costs that you reduce and release to other projects or programs.

A5.22.4. Amount of Cost Avoidance (22.D.[1] and [2]). Column 22B - 22C. Savings that reduce the required funding of the work center but are above the current funded level.

A5.22.4.1. Labor Dollars (22.D.[1]). Total labor dollars showing work hours saved by reducing validated but unfunded manpower (civilian or military) requirements in item 15H(2).

A5.22.4.2. Operations and Support (22.D.[2]). That portion of total O&S dollars representing a currently unfunded cost that you reduce or a future requirement that you remove or reduce.

A5.22.4.3. Total (22.B.[3], 22.C.[3], 22.D.[3]). Total all columns.

A5.23. Item 23--Economic Statistics. Follow the instructions and equations on the form. These figures are the basis of the project ranking system and each review level recalculates the figures.

A5.24. Item 24--Verification. Required signatures verify that this request meets a valid workload requirement, contains accurate cost and savings data, and complies with all applicable Air Force policies and directives.

A5.25. Item 25--Attachments. Place the number of the attachment in the block to the left of the description, if applicable.

A5.25.1. Continuation Page. Self-explanatory.

A5.25.2. Economic Analysis. Required for all projects. Prepare according to AFI 65-501, *Economic Analysis and Program Evaluation for Resource Management*, to support the summary data contained in the basic project.

A5.25.3. Investment and Savings Detail. A required attachment, unless you have provided for it in the economic analysis.

A5.25.4. Equipment Authorization, AF Form 601, Equipment Action Request (AFI 23-101, *Centrally Managed Equipment*). Attach for equipment requiring this document.

A5.25.5. Requirements Document (AFI 33-103, *Requirements Development and Processing*). Attach if you are requesting a communications or computer system.

A5.25.6. Production Data (AFI 37-162, *Managing the Process of Printing, Duplicating, and Copying*). A statement showing that base or command information management personnel have coordinated on projects involving acquisition of composition, printing, binding, duplicating, or related equipment and programs, including desktop publishing systems. Information management personnel verify that the requested items appear in the approved-lease, long-range printing plan or that the SAF has provided out-of-cycle approval.

A5.25.7. Milestone Chart. Required for all projects. Chart must show major procurement actions, fund obligations, operational date, amortization date, and so forth.

A5.25.8. Military Construction Project Data (DD Form 1391). Attach for projects involving appropriation 3300 funds. In addition to the copies you send to HQ USAF, provide one complete copy to the Air Force Civil Engineering Support Agency/DEM, Tyndall AFB FL 32403-6001.

A5.25.9. Variance to Manpower Standard. Use this attachment for functions under Air Force or command manpower standards when the project saves manpower authorizations. (Use format in [attachment 6](#).)

A5.25.10. Other. Any plans, studies, or other documentation that can help higher headquarters in their evaluation. When you use manpower for savings, include an ACR and UMD for all involved work centers. (The MAJCOM PECO analysts keep these documents.)

Attachment 6**FORMAT FOR VARIANCE TO MANPOWER STANDARD**

Title: Negative Variance for Base Supply AFMS # (FASCAP Project #98-022-ACC).

Definition. This variance adjusts earned manpower requirements based on equipment purchased under the Fast Payback Capital Investment (FASCAP) Program.

Impact. Deletes one MSgt, 2S071, effective on the operational date.

Operational Date:

Projected Amortization Date:

Economic Life (years):

Applicability. This negative variance applies to the 509th Supply Squadron, Whiteman AFB MO

Justification. This variance recognizes the enhanced operational capability of the 509th Supply Squadron resulting from the acquisition of updated computer system hardware and associated software. This variance is effective through the economic life of the equipment or terminates on (day/month/year).